Supreme Court of the United States.

No. 164.—October Term, 1905.

The Louisville and Nashville Railroad Company, Plaintiff in Error, vs. F. E. Deer.	In Error to the Supreme Court of the State of Alabama.

[January 2, 1906.]

Mr. Justice Holmes delivered the opinion of the Court.

This is an action to recover a debt admitted to have been due to the plaintiff, the defendant in error. But it was agreed in the trial court that a suit was brought by one Brock against the plaintiff in Florida, in which the railroad company, the present plaintiff in error, was summoned as garnishee, judgment was recovered against the latter as such for the sum now in suit, and the sum paid by it into Court, all before the present suit was begun. The proceedings in Florida were strictly in accordance with the laws of that State. The railroad company did business there and was permanently liable to service and suit, and the defendant, the present defendant in error, was notified by such publication as the statutes of Florida prescribed. He was not, however, a resident of the State, but lived in Alabama, and the Supreme Court of the latter State affirmed a judgment in his favor on the ground that the Florida Court had no jurisdiction to render the judgment relied on as a defense. Ala. .

Whatever doubts may have been felt when this case was decided below are disposed of by the recent decision in *Harris* v. *Balk*, 198 U. S. 215. There the garnishee was only temporarily present in Maryland, where the first judgment was rendered, and the defendant in that judgment was absent from the State, and served only as the defendant in error was served in Florida. Yet the Maryland judgment was held valid, and a decision by the Supreme Court of North Carolina denying the jurisdiction of the Maryland Court was reversed. In the present case the railroad company was permanently present in the State where it was served. In view of the full and recent discussion in *Harris* v. *Balk* we think it unnecessary to say more.

Judgment reversed.

ice of summons *ad respondendum*, and if made within the State shall be made by the executive officer of the court, but if it be made out of the State it may be made by any person, and proof thereof shall be furnished by the affidavit of such person before any judicial officer having a seal in the State where such service is made. If the writs be issued by a justice of the peace or county judge, the publication shall be only for one month, and when the amount of the debt claimed does not exceed twenty dollars the notice may be posted for one month in three public places in the county instead of being published in a newspaper."

"Approved May 31, 1899." (Rec. pp. 5-6.)

The amount of the debt in the Florida suit was less than Twenty dollars ,($20.00,) (Rec. p. 6,) and notices were posted for one month as provided by the foregoing statute.

"1666. *Right defined.*—Every person who shall have brought a suit in any court of this State against any person, natural or corporate, shall have the right to a writ of garnishment under the circumstances and in the manner hereinafter provided, to subject any indebtedness due to the defendant by a third person, and any goods, moneys, chattels or effects of the defendant in the hands, possession or control of a third person.

"The officers, agents and employes of railroad companies shall be, as regards such companies, third persons, and as such shall be subject to garnishment after judgment against such companies." (Rec. p. 5.)

"1686. *Proceedings when defendant not to be found.* If the officer to whom any summons *ad respondendum* has been directed in a suit in which a writ of garnishment has been issued shall return that the defendant does not reside in the State, or if the officer to whom has been directed, a writ of attachment in a suit commenced by attachment in which a writ of garnishment has also been issued shall not be able to find property of the defendant upon which to levy the writ of attachment, the plaintiff may give notice of the institution of such suit in the manner provided for giving notices of suits commenced by attachment. (See section 1658.)

"And the pleadings and proceedings, and entry of defaults and judgments shall be as in such cases of attachment.

"If the plaintiff in such case shall not give such notice within sixty days after the issuing of the writ of garnishment, the suit shall be dismissed upon motion of the defendant, or of the garnishee." (Rec. p. 5.)

"1019. *Upon a private corporation.*—Process against a corporation, domestic or foreign, may be served:

"1. Upon the president or vice-president or other head of the corporation. In the absence of such head:

"2. Upon the cashier or treasurer, or secretary, or general manager; or, in the absence of all of the above:

"3. Upon any director of such company; or, in the absence of all of the above:

"4. Upon any business agent resident in the county in which the action is brought.

"5. If a foreign corporation shall have none of the foregoing officers or agents in this State, service may be made upon any agent transacting business for it in this State." (Rec. p. 4.)

"1608. *Docket.*—Every justice of the peace shall keep a docket book, in which he shall make fair and accurate entries of all causes brought before him, and a minute of all the proceedings, including the service and return of process, the appearance of such parties as may appear, the fact of trial, whether by the court or jury, the verdict of the jury or finding by the justice, the judgment, including damages and costs separately stated, the issuing of execution and to whom issued, with the date thereof, and the return thereon, and a marginal memorandum of the items of all costs, including justice's fees, sheriff's or constable's fees, and witnesses' fees; which docket, or a certified copy thereof, shall be evidence of the matters therein stated." (Rec. p. 6.)

A certified transcript of the docket of the Florida justice of the peace, duly authenticated, is set out as "*Exhibit A*," to the second plea of Plaintiff in Error, in the Alabama suit. (Rec. pp. 6-17.)

By Section 1608 of the Revised Statutes of Florida, *supra*, a certified transcript of the docket of a justice of the peace is evidence of the matters therein contained.

Section 905, U. S. Rev. Statutes, provides, among other things, the following:

> "And the said records and judicial proceedings, so authenticated, shall have such faith and credit given to them in every court within the United States as they have by law or usage in the courts of the State from which they are taken."

"Full faith and credit" should, therefore, have been given by the Alabama courts to the judicial proceedings of said Florida court. The garnishment judgment and its payment in Florida constituted a complete defense to the suit in Alabama. The failure to so recognize it was a violation of Section 1, Article IV., of the Constitution of the United States, and the Act of Congress approved May 26, 1790, (U. S. Rev. Stat., § 905.)

Chicago, Rock Island & Pacific Ry. Co., v. Sturm, supra.

See the case of *C. C. C. & St. L .Ry. Co. v. Bartels*, (Ky.) 56 S. W. Rep. 152;

Railway Company v. Thompson, 31 Kansas, 194;

Fithian v. Railroad Co., 31 Pa. St. 114;

Railroad Co. v. Crane, 102 Ill. 249;

Plimpton v. Bigelow, 93 N. Y. 601.

In the case last cited, the court used the following language:

> "There may be no difficulty, upon principle, in compelling a corporation which has an agent and officer in another State, and is transacting business there, to respond, in garnishment proceedings for the debt, although the creditor—the principal defendant—is a non-resident; and, if bound to respond, it is certainly just that the judgment which compels the corporation to pay the debt to the plaintiff should protect it in making such payment, against a subsequent claim by its creditor."

The provisions of the Florida Statutes were strictly complied with in the Florida proceedings. This is admitted under the "agreed statement of facts." (Rec. pp. 22-23.)

These statutes are valid:

Chicago, Rock Island & Pacific Ry. Co. v. Sturm, 174 U. S. 710;
King v. Cross, 175 U. S. 396-399;
Rothschild v. Knight, 184 U. S. 341-344.

The Florida record was valid on its face.

Maxwell v. Stewart, 88 U. S. 71.

It is also admitted under the "agreed statement of facts" that the transcript of the proceedings in the Florida court is properly authenticated. (Rec. pp. 22-23.)

Foreign corporations doing business by agents within a State are treated as residents of the State, and debts due from them to non-residents are garnishable in that State.

Lancashire Ins. Co. v. Corbetts, 165 Ill. 592;
National Fire Ins. Co. of Hartford, Conn. v. Chambers, 32 Atl. 663; 53 N. J. E. 468;
Fithian v. N. Y. etc. R. Co., 31 Pa. St. 114;
Selma, etc. R. Co. v. Tyson, 48 Ga. 351;
German Bank v. Am. Fire Ins. Co., 83 Iowa, 491;
Consens v. Lovejoy, 81 Maine, 467.

See also the case of

Railway Co. v. Thompson, 31 Kan. 194, 1 Pac. 622, in which the following language is used: "The question in this case is not what is the effect of a judgment against a garnishee, but what ought to be such judgment. Of course, no debtor should be required to pay his debt twice; but, at the same time, if he goes into a State outside the State of his residence, and transacts business therein, he must expect, as to all matters of procedure and remedies to abide by the laws of that State."

"He may not claim the privileges and the protection of the laws of the State into which he enters and trans-

acts business, without submitting to the burdens and obligations of such laws. Coming into this State to transact business, he must abide by the exemption laws of this State; and when a party who, for aught that appears, is a citizen of this State, invokes the process of our courts and the rules of our statutes to secure the payment of a just debt, a garnishee may not reply that by the laws of the State where he resides, and where his employe also resides, his debt to such employe is exempt from all garnishee process. * * * *

"As to the liability of a defendant to garnishee proceedings like this, it must be sustained. Whatever doubts may have existed in some States, it seems to us clear that a corporation or individual coming into this State, having property and transacting business here, becomes liable to garnishee proceedings. A mere debt is transitory, and may be enforced wherever the debtor or his property may be found." * * * *

In Section 245 of Rood on Garnishment, is the following:

"In its essential elements, a garnishment suit is a suit brought by the principal defendant against the garnishee in the name and for the benefit of the plaintiff. The plaintiff is empowered by law to step into the shoes of the garnishee's creditor, and acquire his rights; no more, and no less. * * * Wherever the garnishee could be sued by the defendant for the demand, he may be charged as garnishee on account of it. Other States must recognize this right if they recognize garnishment at all."

Beyond any question, defendant in error (Deer) could have sued plaintiff in error in the Florida court by service of process upon its agent, and could, in such suit, have obtained a judgment against plaintiff in error for the amount of its indebtedness to him.

The creditor of defendant in error did no more in the Florida proceedings than defendant in error could himself have done. The plaintiff in the Florida proceedings, therefore, did nothing more than to "step into the shoes" of defendant in error, and assert his rights. "No more, and no less."

The attention of the court is invited to the following language in the court's opinion in the case of *Chicago, Bur-*

lington & Quincy Railway Co. v. Moore, 31 Neb. 629, 48 N. W. 475.

"It appears that, in the suit commenced by Grove against Moore, in the Justice Court in Iowa, notice of garnishment was duly served upon the Railroad Company; that it appeared and answered, disclosing its indebtedness to Moore in the sum of $25.92, and in obedience to the order of the justice, the Company paid the money into court. Moore was duly served *by publication*, and judgment was rendered against him as a non-resident. * * * The judgment in the garnishment suit set up by the plaintiff in error, being valid and binding upon the parties thereto in the State where rendered, is entitled to full faith and credit in this State, and cannot be collaterally attacked. * * * We are simply giving such faith and credit to the judgment of a sister State as comity between States demands."

Citing *Singer Mfg. Co. v. Fleming*, 39 Neb. 679.

See also *Connors v. Hanover Ins. Co.*, 28 Fed. 549; *Gunn v. Howell*, 35 Ala. 144.

FEDERAL QUESTION PROPERLY RAISED.

The Federal question was properly raised, and at the proper time, upon the trial *de novo* in the City Court of Montgomery, on appeal from the Justice of the Peace Court of B. H. Screws.

Section 488 of the Code of Alabama provides as follows:

> "*When and how cases on appeal shall be tried.*—Cases brought by appeal or *certiorari* from judgments of justices of the peace must be tried at the first term thereafter, if the five days' notice of the appeal or *certiorari* required by law, has been given to the appellee, his agent, or attorney, unless good cause be shown for a continuance; but if such notice has not been given, the case must be continued until the next term; and all such cases must be tried *de novo* and according to equity and justice, without regard to any defect in the summons, or other process, or proceedings before the justice."